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CESSNA OFFICIALS ENTHUSED BY INITIAL RESPONSE TO HANGAR 10 STORE

Cessna Aircraft officials told *BA* last week the initial public response to the company's prototype Hangar 10 "aviation department store" has exceeded projections and the company is gearing up for a possible expansion program next year. The first Hangar 10 outlet, which features a variety of aviation-related merchandise and a Skyhawk flight module with a visual presentation *(see photo on the back of Page 172)*, opened Nov. 12 in a Dallas shopping center *(BA, Nov. 11/156)*. Mark Blair, sales manager-consumer marketing, said "a tremendous number of people" have visited the store in the first two weeks. In addition to signing up a number of people for flight lessons right in the store, others have gone to one of the nine Cessna Pilot Centers in the Dallas area and signed up for lessons after visiting the store. Major reason for the new marketing concept is to foster interest in learning to fly, but Blair also said that merchandise sales "are considerably higher" than had been anticipated.

A second prototype store is scheduled to open in Minneapolis on December 4. Blair said operations at both locations will be monitored on a daily basis until some time in the first quarter of 1986. If results are still encouraging at that point, Cessna is prepared to rapidly expand the number of locations and could have up to 50 stores in operation by the end of 1986.

The focal point in each location will be the flight module and the Minneapolis store will even feature "runway lights" along the edge of the carpeting leading from the store entrance to the module. Blair said Cessna is "trying to create a customer-friendly environment that we don't have in aviation today." The Dallas store has 1,520 square feet of space and the Minneapolis outlet will be slightly larger.

GAMA SAYS IT WILL NOT ISSUE A FORECAST OF 1986 SHIPMENTS

General Aviation Manufacturers Association, citing several factors, confirmed last week it will discontinue a longstanding policy and will not issue a forecast of 1986 shipments "due to the unpredictability of the market in changing economic conditions, including uncertainties of future government tax policies."

GAMA began issuing an annual forecast each January in the mid-1970s, listing the estimated number of aircraft and total billings its members would produce, but GAMA President Ed Stimpson said the "totally unforeseen effects of the government tax debate and potential tax revisions have entirely changed the complexion of the general aviation market in 1985. We foresee similar conditions in 1986; therefore we cannot predict with any exactness the industry output for 1986."

He also noted that Cessna, the last independent general aviation manufacturer, has agreed to be acquired by General Dynamics, "thus ending intense Wall Street interest in these formerly publicly-owned, stock-held firms. Since the GAMA forecast originated in the mid-1970s due to the interest of Wall Street analysts, the impetus for future GAMA forecasts is lessened considerably." For this reason, Stimpson said GAMA has discontinued its January presentations to the security analysts "but will continue to offer an industry overview in January centered on yearend results and issues rather than forecasts." He also noted that "continuing industry consolidation and product changes make it difficult to predict 1986 results."

(Continued on the following page)

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GAMA *(Cont.)*

One other factor not mentioned in GAMA's formal statement was the apparent inability of GAMA members to reach agreement on a 1986 forecast. In response to a question from *BA*, Stimpson agreed that in discussions of GAMA's forecast committee "the numbers were all over the lot." Aircraft production by GAMA members grew steadily throughout the 1970s, peaking at 17,811 and 17,048 units in 1978 and 1979 and then falling off steeply in the current decade *(see chart on the back of this page)*. Annual dollar volume also rose steadily until it peaked in 1981 at just under $3 billion, but has since fallen off to about half that level.

Through the first 10 months of 1985, GAMA members had delivered 1,699 new aircraft valued at $1.07 billion, decreases of 13.3 percent and 18.1 percent, respectively, from the same period last year. While Stimpson refused to discuss anticipated production levels for 1986, it is expected that shipments could fall even lower next year, particularly if tax reform legislation being considered by Congress is enacted. The House Ways and Means Committee last week approved a package that would eliminate the 10 percent investment tax credit for purchases such as aircraft and alter depreciation schedules. Elimination of the ITC is viewed as a potentially serious setback for GA aircraft sales *(BA, June 3/169)*.

AOPA WANTS FAA TO EXTEND 250-KNOT LIMIT TO 12,500 FEET – Aircraft Owners and Pilots Association has petitioned FAA seeking a new rule to "raise the altitude below which no aircraft may operate at more than 250 knots indicated airspeed from 10,000 feet to 12,500 feet MSL." In its petition, which was published by FAA in the Nov. 20 issue of the *Federal Register*, AOPA said the intent of FAA Order 7110.22C (Keep-'em-high) was to minimize the time that general aviation aircraft and high performance aircraft would occupy the same airspace. AOPA asserted that "today, the procedure is not in general practice. 'Heavies' are cleared to descend below 10,000 feet 30 to 60 miles away from high traffic terminals and penetrate terminal airspace from the side rather than from the top" thereby increasing the amount of time GA and air carrier traffic mix prior to entering terminal controlled airspace. The association said it believes raising the altitude below which aircraft cannot exceed 250 knots will reduce the number of near midair collisions.

Comments on the AOPA petition should refer to Docket No. 24744 and be submitted by Jan. 21 to: FAA, Office of the Chief Counsel, Attn: Rules Docket (AGC-204), 800 Independence Ave. S.W., Washington, D.C. 20591.

NATA URGES SUPPORT OF PROPOSED PART 139 REVISION – National Air Transportation Association President Larry Burian said fixed base operators will "breathe a collective sign of relief" in response to the notice of proposed rulemaking on FAR Part 139 released by the Federal Aviation Administration *(BA, Oct. 28/139)*. NATA said the FAA proposal would not require any form of federal regulation on fueling operations or fueling personnel. Instead, FAA is seeking comments on two options: requiring airports to establish and enforce fueling standards; or allowing the fueling industry to regulate itself. NATA said it has lobbied hard to avoid federal regulation or licensing of FBOs or their employes who handle fuel, adding that other aviation trade groups also have supported that position. Burian said the industry must now "respond during the comment period and maintain a high level of performance to back up our point of view." Deadline for comments on the NPRM is Jan. 21, 1986.

THREE COMPANIES INTERESTED IN FAIRCHILD REPUBLIC – Three aerospace companies are expressing interest in buying Fairchild Republic Company, Farmingdale, N.Y., including Boeing, Grumman and a third company that Fairchild officials decline to identify. The need to sell off Republic has become more apparent as Fairchild Industries Inc., the parent company of Republic, reported heavy financial losses for the first nine months of the year *(BA, Nov. 16/166)*.

Grumman Chairman John Bierworth has said that Grumman will decide by Thanksgiving whether it will bid for Republic. Grumman completed a survey of Republic's facilities earlier this month. "We still hope to make an offer for Fairchild and, if we do, it will occur sometime next week," a spokesman said. A Boeing spokesman confirmed that the company "has had very preliminary and limited discussions with Fairchild regarding its Fairchild Republic Co. and beyond that there is no further comment."

General Aviation Unit Shipments/Billings